

Conference Workshop “Gaps & Recommendations” Summary

The following gaps and recommendations were identified by conference participants in seven break-out sessions. The MFEC will focus on these as it develops its 2005 strategic objectives.

Family Financial Education

Workshop participants discussed the many benefits that family-focused financial education can provide, including personal empowerment through and hope realized by responsible saving and spending habits. The participants noted several gaps, however, in the availability of financial education training and resources. Recommendations included creating awareness of and accessibility to web-based resources and “train the trainer” sessions; developing follow-up support tools such as chat rooms and a list serve; developing or identifying appropriate program evaluation tools; and resources that will identify grant and other funding opportunities.

First-Time Homebuyers

Workshop participants noted the benefits of first-time homebuyer education including lower loan delinquency rates and foreclosures, and as a tool to strengthen communities as educated and savvy homebuyers tend to stay in their homes longer. Participants identified a number of gaps and issues, however, creating barriers to homeownership as well as

challenges for first-time homebuyers including insufficient funding for down-payment assistance, lender issues, inadequate consumer awareness about finances generally and home purchasing more specifically, and inadequate access to resources in rural areas. Recommendations include developing and providing more pre-purchase training for lenders and realtors; mandatory financial education for first-time homebuyers receiving financial assistance to purchase homes; early coordination among financial education providers, lenders and realtors; closer coordination and tracking between homebuyers, credit and/or loan counselors; and more readily available resources in rural areas for homebuyers.

Individual Development Accounts

Workshop participants recognized the benefits offered by IDA programs, noting that as a tool to build wealth for low-income persons and families, IDAs require active and responsible participation which, in turn, builds self-esteem and decreases dependency on state and federal aid programs. Participants identified a number of barriers, however, to the development of IDA programs in Montana including a lack of funding for both match and operation dollars as well as sustainability, technical assistance for program development, a need for reliable evaluation methods to assess program impact and, more generally, the lack of awareness of IDAs as an important

wealth-building and financial education tool for low-income population groups. Recommendations include building awareness of IDA programs and what they offer, developing good program evaluation systems, developing a com-



munication system by which program providers can share best practices, and building relationships with financial institutions as IDA program partners.

Predatory Lending

Workshop participants identified several issues with regard to growing problems of predatory lending in Montana including a lack of alternatives to fringe lender products for some population groups, a lack of consumer awareness about fraudulent and predatory lending practices, and a lack of legislation to adequately address abusive lending practices. Recommendations include developing efforts to increase consumer awareness of predatory products and providers as well as increased efforts to provide consumer financial education; working with regulated financial institutions to increase alternatives to payday and other high-cost loans; and supporting legislative efforts to curtail abusive lending practices.



Seniors

Workshop participants noted three significant barriers to ensuring our Montana senior population has adequate access to the financial education resources they need to help prevent them from becoming victims of fraudulent practices and to ensure they adequately manage their financial assets during retirement: access to resources in rural areas, lack of awareness of the need for seniors to be financially literate among adult children of seniors, and ready access to information for seniors. To address these gaps, participants identified the need for development of a plan to reach seniors in rural areas or that are otherwise “hard to reach” that may include creating a senior companion and/or mentor program; a mail campaign to raise awareness of the issues and the services that are available; development of a central clearinghouse for easy-to-access information; and the continued development of partnerships and coordination efforts by financial education providers. Participants also noted that resources are available through AARP and other organizations, but that such resources need to expand to reach Montana’s growing senior population.

Women’s Initiatives

Workshop participants noted that elderly women, victims of domestic violence and

women outside the workforce often face unique issues when it comes to the need to understand how to manage their personal finances. Statistically, women outlive their spouses and many find themselves unprepared to manage their finances after the loss of a spouse, or are left without adequate financial means. Victims of domestic violence and women outside of the workforce also face similar issues. Access to information and financial products or workplace benefits such as 401k, pension and health benefit plans can be limited or non-existent. These issues are compounded by the typically lower wages that women earn. To address these gaps, participants identified the need for special financial education programs tailored for women outside the workforce and victims of domestic violence, and programs focused on retirement and investment planning. These types of programs, participants believe, would help to empower women as well as assist them in ensuring the financial stability of their families.

Youth K – College

Workshop participants noted that it is most effective to ingrain responsible money management behaviors in individuals by beginning such training in

childhood. Workshop participants noted, however, a number of issues and gaps in the area of youth financial education that focused on four general areas: the lack of



interest and incentives on the part of youth and their parents to learn about personal finance management, the lack of political capital and commitment by policy makers, the lack of resources to provide training for teachers, and the lack of financial education standards and resources to integrate financial education curricula into the schools. To address these gaps, participants identified the need for awareness training for policy makers and teachers to achieve buy-in and commitment, financial education curriculum training for teachers, financial education curriculum standards, and integration of financial education into existing curricula.

